



# A Guide to your **Credit Protection** facility

This reference guide has been designed to provide you with an overview of the Credit Protection facility provided.



# A Guide to your **Credit Protection** facility



Thank you for choosing Back Office Support Services. Known for our exceptional service and friendly approach, we provide a complete support package to make running your recruitment business easier. This guide contains information on how to request limits on new and existing clients, details of what happens in the event of a withdrawal or reduction in limits and how to make a claim. If at any time you have a question about your facility, your dedicated Payroll Account Manager or Credit Controller is on hand to help you.

## Credit Protection Limits



The Credit Protection will only start from the date the credit limit is approved and any invoicing prior to that date will therefore not be covered, so it's important that we have the limit in place prior to the first invoice being generated.

As part of your Credit Protection facility every client being protected will need to have their own limit value. This is the maximum amount that your client could owe at any one time.

We will assess each client for you and confirm the limit we are able to provide protection for. This assessment may lead to a lower limit being set than the one you requested.

Wherever possible we will provide you with a full explanation as to why a lower limit has been set or why a limit has been declined.

If you need a higher limit because your business is increasing you can easily request an increase.

### How to request limits on New Clients

- To request limits on new clients please complete the **New Client Application Form**.
- You can specify the limit you are requesting on the **Form**
- The minimum protection limit is £5,000 and multiples of £5,000 thereafter.

The **New Client Application Form** was emailed to you when you joined Back Office. Please ask your **Payroll Account Manager** or **Credit Controller** if you need a new copy. Once completed, simply email the **Form** to your **Credit Controller**.

### How to request increased limits on existing Clients

It's easy to request an increase to the limit on an existing Client, simply email your request to your **Credit Controller**.

In the event that we're unable to gain approval for the revised limit we will always tell you why. It's worth noting that there's no appeals process as the banks decision is final.

## Withdrawals and Reductions in Limits



There may be times when we need to reduce or withdraw the limit from a client; this usually happens

as a result of new information becoming available about a client eg. a failure to submit annual accounts. We will promptly inform you if this happens.

Once a limit has been withdrawn on a client, no future invoices will be covered from that point forward, however existing debt up to the limit withdrawal date is protected.

### If a limit is withdrawn or suspended due to overdue invoices:

If a client owes any amount that's unpaid for more than 40 days past the due date, the limit will be suspended until the overdue amount has been paid. If the invoice remains unpaid for 60 days after the due date, the limit will be cancelled and we have a contractual requirement with the bank to commence legal action.

### If a limit on a client is reduced:

If there's a need to reduce a limit on a client you will be protected at the higher value on any debt incurred before the date the limit was reduced. After that date, you will only be protected on new debt up to the new lower limit.

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## Trading Over Limits



The total amount of debt shouldn't exceed the value of the cover limit at any one time. If this is exceeded, all

debt incurred over and above the limit is **unprotected**. We'll make you aware if the limit has been exceeded and advise that any continuation of trade should be with extreme caution.

## Keeping Us Informed



Please advise your **Payroll Account Manager** or **Credit Controller** if you become

aware of any event which may mean that the client will not pay. This may include:

- Payment Plans (*these will need to be agreed with ourselves prior to acceptance*)
- Adverse information of any kind eg. if you are aware of a pending CCJ or Winding Up Petition
- Disputes

## Charges



Unless otherwise stated in your agreement there's no additional charges for the provision of Credit

Protection and we don't charge for new and increased limit applications.

## Making A Claim



Non-payment is deemed to have arisen when one of the following events has occurred:

- 1) **Formal Insolvency** –  
*eg. administration, liquidation*
- 2) **Bankruptcy**
- 3) **CVA**

In the event of a claim Credit Protection is calculated excluding VAT and with a first loss excess of £1000 or 10%, whichever is the greatest.

We will make the claim on your behalf and keep you updated throughout.

On receipt of paperwork from the **Insolvency Practitioner** claims usually take 10 working days. It's worth noting that Credit Protection does not cover debt where a Client simply decides to cease trading.



## Our Story

Back Office Support Services started helping recruitment agencies of all shapes and sizes prosper and grow way back in 1998.

In the 20 or so years since then, we've also prospered and grown – and now employ over 35 people in our Head Office in Congleton, Cheshire.

That success is down to building long-term relationships with clients who trust us to take care of their financial and legal support – not to mention an obsession with customer service that ensures an unrivalled accuracy that keeps contractors, temps and clients 100% happy.

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